

SAM S. LESLIE, CPA  
1130 South Flower Street  
Suite 312  
Los Angeles, CA 90015  
Telephone: (323) 987-5780  
Facsimile: (323) 987-5763  
Email: trustee@trusteeleslie.com

Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES DIVISION

In re	)	Case No. 2:21-bk-10335-BB
	)	[Chapter 7]
COLDWATER DEVELOPMENT LLC, a	)	
California limited liability	)	[Jointly Administered with
company,	)	Case No. 2:21-bk-10336-BB]
	)	
Debtor.	)	NOTICE OF FILING OF (i)
	)	DECLARATION OF SAM S. LESLIE
	)	RE COMPLETION OF AUCTION SALE;
In re	)	(ii) AUCTIONEER'S REPORT; AND
	)	(iii) TRUSTEE'S REQUEST FOR
LYDDA LUD, LLC, a California	)	AUCTIONEER'S BOND TO BE
limited liability company,	)	EXONERATED
	)	
Debtor.	)	[No Hearing Required]
	)	
	)	
[X] Affects both Debtors.	)	
[ ] Affects Coldwater	)	
Development, LLC only.	)	
[ ] Affects Lydda Lud, LLC only.	)	
	)	
Debtor.	)	
	)	

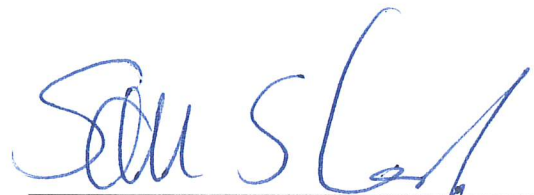
TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY JUDGE,  
THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL INTERESTED  
PARTIES:

///

///

Pursuant to Rule 6004 of the Federal Rules of Bankruptcy Procedure, Sam S. Leslie, Chapter 7 Trustee herein ("Trustee"), respectfully submits the attached declaration of Sam S. Leslie with respect to the completion of the auction sale authorized by the Court by Order entered March 9, 2022. Attached to the Declaration as Exhibit A is the Auctioneer's Report prepared by Jeffery J. Tanenbaum of ThreeSixty Asset Advisors and WFS, Inc. (dba Tranzon Asset Strategies).

Dated: May 12, 2022



Sam S. Leslie, Chapter 7 Trustee

**DECLARATION OF SAM S. LESLIE**

I, Sam S. Leslie, declare:

1. I am the duly appointed and acting Chapter 7 Trustee in the above-captioned case. I have personal knowledge of the following facts and if called upon to testify, I could and would competently testify thereto.

2. Coldwater Development, LLC and Lydda Lud, LLC (collectively, the "Debtors") filed for relief under Chapter 11 of the United States Bankruptcy Code on January 15, 2021.

3. Pursuant to a Motion brought by the United States Trustee, I was appointed as the Chapter 11 Trustee by the United States Trustee on December 7, 2021. The Court approved the appointment pursuant to Order entered December 7, 2021 and I filed my acceptance of such appointment.

4. I filed a Motion to Convert Cases to Chapter 7 Cases on February 9, 2022, which the Court granted pursuant to Order entered March 7, 2022 and I filed my acceptance of such appointment on March 9, 2022.

5. Schedule B filed by Coldwater Development, LLC, disclosed that it had an ownership interest in certain personal property described as Real Property with a description of APN 4387 021 018 and APN 4387 021 019.

6. Schedule B filed by Lydda Lud, LLC, disclosed that it had an ownership interest in certain personal property described as Real Property with a description of APN 4387 020 009; APN 4387 020 001; APN 4387 022 001; and APN 4387 022 002.

///

///

1           7. All Real Property disclosed in Schedule B by the  
2 Coldwater Development, LLC and Lydda Lud, LLC is collectively  
3 referred to herein as "Real Property".

4           8. Base upon the Debtors' scheduled value of the Real  
5 Property and the opinion of an experienced and respected  
6 liquidator, Jeffery J. Tanenbaum ("Tanenbaum") of ThreeSixty  
7 Asset Advisors and WFS, Inc. (dba Tranzon Asset Strategies), who  
8 valued the Real Property at my request, I determined that there  
9 was sufficient equity to liquidate the Real Property for the  
10 benefit of creditors.

11           9. I then sought and received the Court's approval to  
12 conduct an auction and employ Tanenbaum and ThreeSixty Asset  
13 Advisors and WFS, Inc. (dba Tranzon Asset Strategies) as  
14 auctioneer by Order entered March 9, 2022.

15           10. As set forth in the U.S. Trustee's Supervisory Instruc-  
16 tion No. 10 and pursuant to Rule 6004 of the Federal Rules of  
17 Bankruptcy Procedures, the Auctioneer was required to submit  
18 within twenty one (21) days after the completion of the sale an  
19 auctioneer's report (the "Auctioneer's Report") identifying  
20 properties of the estate that were sold. The auctioneer has  
21 complied with this instruction.

22           11. In addition upon my review of the Auctioneer's Report,  
23 I was required to submit a declaration attesting to the  
24 comparison of the list of items sold as identified in the  
25 Auctioneer's Report with the items identified in the Debtor's  
26 schedules or other listing of the Debtor's assets available to me  
27 and that I was satisfied with the Auctioneer's Report.

28 ///

1 12. Upon my review and approval of the Auctioneer's Report  
2 I am authorized to issue the identified compensation and expense  
3 reimbursement to the Auctioneer without requiring an additional  
4 Order from the Court.

5 13. The sale of the Real Property was conducted via in  
6 person and online auction sale which concluded on March 24, 2022.

7 14. I was present at the in person and online auction sale.

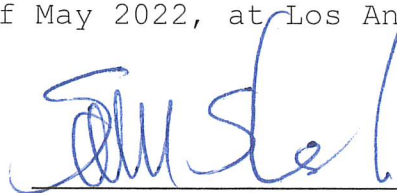
8 15. The auction generated gross sales of \$1,700,000 and net  
9 of the actual expenses netted \$301,435.09 to the estate. The  
10 Auctioneer prepared the Auctioneer's Report (Settlement Report)  
11 is attached hereto as Exhibit A and incorporated herein by this  
12 reference.

13 16. I have reviewed the Auctioneer's Report and I do not  
14 have any objection to the Auctioneer's Report and believe it to  
15 be an accurate representation of the items sold and expenses  
16 paid.

17 17. Accordingly, the auctioneer's expenses of \$475,442.88  
18 and the Auctioneers compensation as previously approved by the  
19 Court by Order entered March 9, 2022, were paid by escrow in  
20 closing.

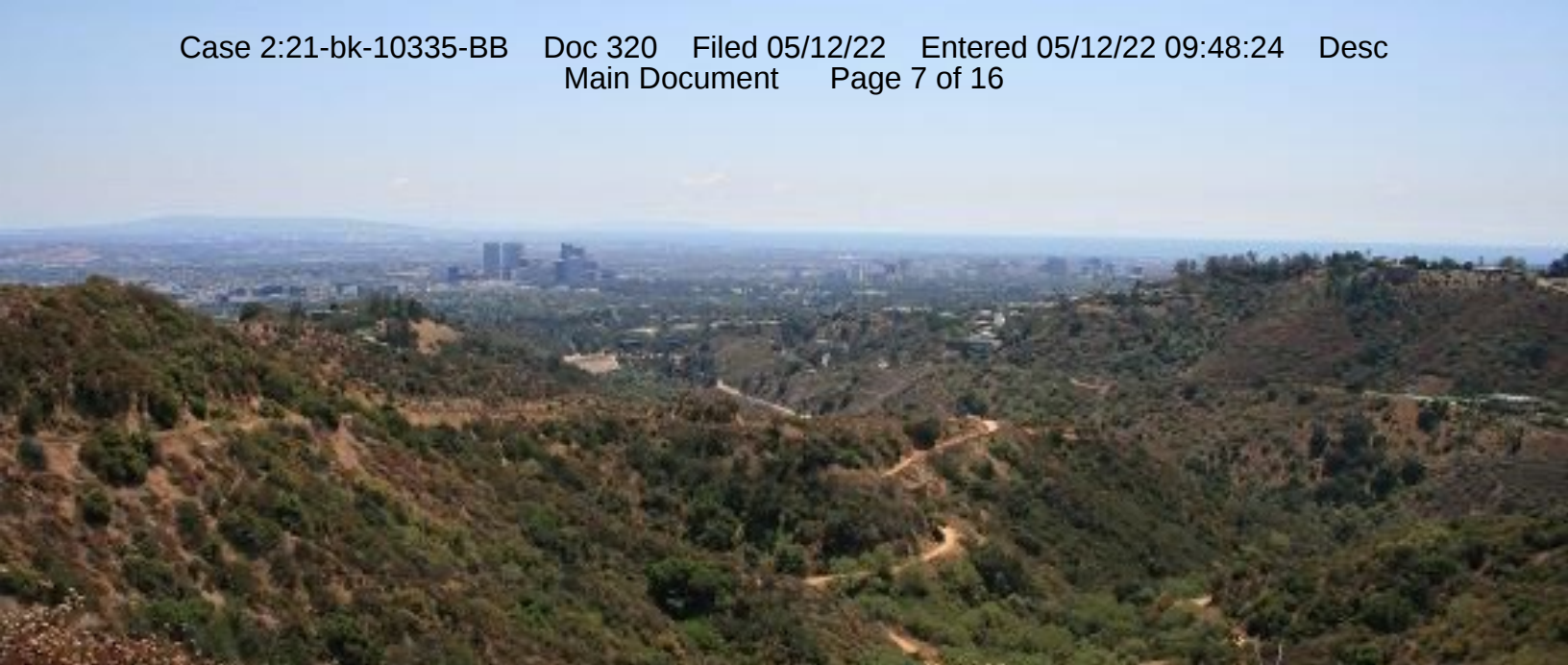
21 I declare under penalty of perjury under the laws of the  
22 United States of America that the foregoing is true and correct.

23 Executed this 12<sup>th</sup> day of May 2022, at Los Angeles,  
24 California.

25   
26 \_\_\_\_\_

Sam S. Leslie

**EXHIBIT A**



**Coldwater Development**  
9650 Royalton Drive

## AUCTIONEER'S REPORT

**Presented to:**

Sam Leslie, Chapter 7 Trustee  
David Seror, Counsel

**Presented by:**

Jeff Tanenbaum, President  
ThreeSixty Asset Advisors, LLC

Mike Walters, President  
Tranzon Asset Strategies

**AUCTION DATE: MARCH 26, 2022**

**SALE CLOSE DATE: APRIL 22, 2022**



# SETTLEMENT REPORT





## AUCTION SETTLEMENT REPORT

Coldwater Development  
c/o Sam Leslie, Trustee

Sale Date 3/26/22

<b>Value of Auction Offer Received</b>		<b>34,175,000.00</b>
Debt Allocation	33,485,680.00	
Cash	689,320.00	
Buyers' Premium	[Note 1]	1,010,680.00
@ 3% = 1,025,250		
Total Purchase Value		<u>35,185,680.00</u>
Less Debt Allocation		(33,485,680.00)
<b>Total Gross Cash Received by Estate</b>		<b><u>1,700,000.00</u></b>
Auctioneers Fee: 1.25% (or 41.6% of Buyers' Premium Collected [Note 2])		(420,442.88)
Auctioneers Retainer/Base Fee		(30,000.00)
Sale & Marketing Expense Reimbursement		(26,401.79)
Expense Rebate over \$25,000 Cap		1,401.79
<b>Net Cash to Estate</b>		<b><u>1,224,557.12</u></b>

### Settlement Notes

- [Note 1] An increased allocation of debt later in the sale process resulted in a higher buyers' premium calculation; however, the Auctioneers and Trustee agreed to lock the allocated buyers' premium at Buyers' original offer.
- [Note 2] The Auctioneers' portion of the buyers' premium, previously contracted at 2 of the 3 points charged, was reduced by Auctioneers to 1.25 points during negotiations with the Buyer to support the economics of the transaction. As the buyers' premium as noted in [Note 1] is slightly less than 3% of the allocated purchase price, a calculation of 41.6% (1.25/3.0) was used to ascertain Auctioneers' portion.

**SALE & MARKETING EXPENSES**

Coldwater Development

**NEWSPAPER ADVERTISING** **Amount**

**Publication:**

Los Angeles Times (Print and Digital)	\$4,510.00
Wall St. Journal (Print and Digital)	\$4,318.08
Beverly Hills Courier (Quarter Page 2x)	\$2,200.00
Bay Area News Group (Digital)	\$1,785.00

**Total Newspaper and Digital** **\$12,813.08**

**DIGITAL MARKETING & OTHER SALE RELATED**

Email Marketing	
- Email Blasts to Tranzon Database - 2x	\$146.67
- Property Blast - 2x	\$219.90
- Property Campaign - 2x	\$298.00
- Property Send	\$290.00
HTML email creation	\$375.00
Google Ad Words (Digital)	\$2,242.50
Direct Mail Campaign - Printing	\$303.86
Press Release	\$1,080.00
Website Postings - LoopNet, CoStar, Multiple Listing Services	\$1,000.00
Auction Meeting Room Rental	\$1,525.82
Travel - Tanenbaum - Auction - 3 Nights plus mileage	\$2,166.57
Online Bidding Service	\$750.00
Drone and Aerial Photography	\$1,900.00
Postage	\$566.47
Custom Website Creation	\$500.00
Courier - picking up docs from Hadid's office	\$178.92
Parking	\$45.00

**Total Other Marketing and Expenses** **\$13,588.71**

**TOTAL AUCTION MARKETING EXPENSES** **\$26,401.79**

Cap \$25,000.00

Overage \$1,401.79

# MARKETING SUMMARY



## Auction Marketing Activity Report

**Sale Date:** March 23, 2022

**In re:** Coldwater Development / Lydda Lud  
Beverly Hills Property

---

### **MARKETING OVERVIEW**

#### **Print and Digital Marketing:**

Print and digital ads ran in the following publications:

Los Angeles Times  
Wall St. Journal National  
Beverly Hills Courier  
Bay Area News Group - San Jose Mercury News, East Bay Times

A Google Ad Words campaign ran for 30 days. In addition, targeted posts were directed to real estate developers, home builders, investors and brokers in Los Angeles.

#### **Internet Marketing:**

The property was posted on the Tranzon website, where it is automatically linked with up to 73 additional websites. The other websites include area MLS services, Property Line, LoopNet, CCIM, CoStar, GlobeSt.com, and Auctioneers Association websites.

A dedicated auction site was also created at [www.Tranzon360.com](http://www.Tranzon360.com).

#### **Email Marketing:**

Multiple email blasts were sent to the Tranzon database of auction buyers. Emails were also sent through PropertyCampaign.com and PropertySend.com to brokers and investors nationwide.

#### **Direct Mail**

A direct mail piece (quantity 250) was targeted to high end brokers, developers and neighboring property owners. A handwritten note was included with each mailing to try and establish rapport.

#### **Press Release**

A press release was distributed nationwide through PR Newswire. In addition, we reached out directly to reporters at the Los Angeles Times, New York Times, Wall St. Journal, and the Beverly Hills Courier. The press release coincided with the beginning of the Russia/Ukraine conflict, which was dominating the news cycle at that time.

Subsequent efforts to reach out to the press did not produce any interest from the media.

### **Website Stats and Digital Ad Performance**

The property-specific page on the Tranzon website has received 5,801 views.

There were 332 site visits to the dedicated auction website at Tranzon360.com.

The Google campaign included 25,055 searches, 173,813 displays and 4,099 clicks.

The Los Angeles Times digital ads included 135,019 impressions and 158 ad server clicks, with a 0.12% click-through rate.

The Bay Area News Group digital ads included over 42,000 impressions and 45 ad server clicks.

The Beverly Hills Courier digital ads included 8,169 views and 32 ad server clicks.

### **Property Interest**

We had approx. 60 inquiries from prospective bidders. 47 of those parties downloaded the Property Information Package, and 9 of them completed the confidentiality agreement to view the due diligence materials.

### **Property Showings**

Three groups were shown the property as part of their due diligence activities.

### **Feedback**

The feedback has been primarily focused on the cost and time to develop the property. Some parties were initially interested in buying one or two of the parcels for development; however, the grading cost required to create larger pad sites was cited as a drawback.

One of the strongest groups was an investment firm representing a large family trust out of Singapore. They engaged a broker and architect, who visited the site along with their local representative. They conducted extensive due diligence, but declined to participate based on the complicated nature of buying and developing the property.

A number of prospects mentioned various news reports about the previous litigation and statements released by the Beverly Hills City Council regarding their resolution and support for preserving the property as open space. Specifically we were quoted stories from the Wall St. Journal, the New York Times, the Los Angeles Times and the Beverly Hills Courier, all of whom ran articles on this property.

In addition, multiple prospects stated that they had downloaded documents from the bankruptcy docket, including the Give Back appraisal of \$24.5M. We directed them to the other appraisal that was \$131M, but this number did not sway anyone given that the property was last marketed at \$50M with no takers.

Comments regarding pricing indicated that, based on what they read in the documents, the bid would need to be well over \$30M to get the deal done. As much as we tried to adjust people's perception of the pricing, we were never provided with a definitive number that we could share.

Two groups who had initially expressed interest in being a stalking horse declined to participate.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1130 South Flower Street, Suite 312, Los Angeles, CA 90015.

A true and correct copy of the foregoing document entitled Notice of Filing of (i) Declaration of Sam S. Leslie re Completion of Auction Sale; (ii) Auctioneer's Report; and (iii) Trustee's Request for Auctioneer's Bond to be Exonerated will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On May 12, 2022, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Jessica L Bagdanov	jbagdanov@bg.law, ecf@bg.law
Theodore A Cohen	tcohen@sheppardmullin.com, amontoya@sheppardmullin.com
Eryk R Escobar	eryk.r.escobar@usdoj.gov
M Douglas Flahaut	flahaut.douglas@arentfox.com
Eric J Fromme	efromme@tocounsel.com, stena@tocounsel.com
Asa S Hami	ahami@sulmeyerlaw.com, pdillamar@sulmeyerlaw.com; pdillamar@ecf.inforuptcy.com;cblair@sulmeyerlaw.com; ahami@ecf.inforuptcy.com
Christopher J Harney	charney@tocounsel.com, stena@tocounsel.com
Sam S Leslie (TR)	sleslie@trusteeleslie.com, trustee@trusteeleslie.com;C195@ecfbis.com
Daniel A Lev	dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com;dlev@ecf.inforuptcy.com
William N Lobel	wlobel@tocounsel.com, jokeefe@tocounsel.com;sschuster@tocounsel.com

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:** On May 12, 2022, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

United States Bankruptcy Court	Coldwater Development LLC	Lydda Lud, LLC
The Honorable Sheri Bluebond	11301 W. Olympic Blvd. #537	11301 W. Olympic Blvd. #537
United States Bankruptcy Judge	Los Angeles, CA 90064	Los Angeles, CA 90064
255 East Temple Street		
Suite 1534		
Los Angeles, CA 90012		

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY - N/A:** Pursuant to Fed.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_, 2022, I arranged for service on the following person as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: May 12, 2022

  
Shawn Sterrett

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

**ADDITIONAL SERVICE INFORMATION:**

**TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

Douglas M Neistat	dneistat@gblawllp.com, mramos@gblawllp.com;tkrant@gblawllp.com
Aram Ordubegian	ordubegian.aram@arentfox.com
Ronald N Richards	ron@ronaldrichards.com, morani@ronaldrichards.com
David Seror	dseror@bg.law, ecf@bg.law
Annie Y Stoops	annie.stoops@arentfox.com, yvonne.li@arentfox.com
United States Trustee (LA)	ustpreion16.la.ecf@usdoj.gov
Jessica Wellington	jwellington@bg.law, ecf@bg.law
Dylan J Yamamoto	dylan.yamamoto@arentfox.com
Robert M Yaspan	court@yaspanlaw.com, tmenachian@yaspanlaw.com

---

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.